



Order Filed on March 25, 2021  
by Clerk  
U.S. Bankruptcy Court  
District of New Jersey

**MELLINGER KARTZMAN LLC**

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*Attorneys for Steven P. Kartzman, Chapter 7 Trustee*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

In re:

**JAMES X. REZABALA and ERIKA  
M. PENACHI,**

Debtors.

Case No. 19-25396 (VFP)


Chapter 7

Honorable Vincent F. Papalia

**ORDER (I) AUTHORIZING THE PRIVATE SALE OF PROPERTY OF THE  
ESTATE FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS PURSUANT TO  
11 U.S.C. §363; (II) AUTHORIZING DISTRIBUTION OF SALE PROCEEDS; (III)  
DIRECTING THE DEBTOR, JAMES X. REZABALA (“DEBTOR REZABALA”) AND  
GERALDINA OBANDO (THE “CO-OWNER”) TO VACATE; (IV) WAIVING 14 DAY  
STAY OF ORDER; AND (V) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through five (5), is hereby  
ORDERED.

**DATED: March 25, 2021**

  
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Honorable Vincent F. Papalia  
United States Bankruptcy Judge

Debtor: James X. Rezabala and Erika M. Penachi  
Case No.: 19-25396 (VFP)  
Caption: Order (i) Authorizing the Private Sale of Property of the Estate Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. §363; (ii) Authorizing Distribution of Sale Proceeds; (iii) Directing the Debtor, James X. Rezabala (“Debtor Rezabala”) and Geraldina Obando (the “Co-Owner”) to Vacate; (iv) Waiving 14 Day Stay of Order; and (v) Granting Related Relief

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THIS MATTER having been brought before the Court by Steven P. Kartzman, the Chapter 7 Trustee (the “Trustee”), by and through his attorneys Mellinger Kartzman LLC, for entry of an order (i) Authorizing the Private Sale of Property of the Estate Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. §363; (ii) Authorizing Distribution of Sale Proceeds; (iii) Directing the Debtor, James X. Rezabala (“Debtor Rezabala”) and Geraldina Obando (the “Co-Owner”) to Vacate; (iv) Waiving 14 Day Stay of Order; and (v) Granting Related Relief (the “Motion”); and it appearing that notice of the motion has been duly served; and the Court having considered opposition to the Motion and the arguments of counsel, if any, and good cause having been shown, it is hereby:

**ORDERED AS FOLLOWS:**

1. The Trustee be, and is hereby, authorized and directed to sell the property located at 3365 Kennedy Boulevard, Jersey City, New Jersey (the “Property”), to Sardar Gurbeer Singh, Jasvinder Kaur, and Reena Jhon a/k/a Reena John a/k/a Renna Jhon (the “Purchasers”) for the sum of \$600,000.00, free and clear of all liens, claims, interests, and encumbrances, with any valid liens, claims, encumbrances, or interests not avoided herein, to attach to the proceeds of sale in the same order of their priority pursuant to 11 U.S.C. §363(b) and (f).

2. The Purchasers are deemed to be good faith purchasers for value within the meaning of 11 U.S.C. §363(m).

3. The Trustee shall be and hereby is authorized and directed to convey title to the Purchasers, or any entity that the Purchasers form to take title to the Property in its stead (hereinafter referred to collectively as the “Purchaser”), and to take all actions as may reasonably be required that are consistent with this Order for the purpose of effectuating the proposed sale.

Debtor: James X. Rezabala and Erika M. Penachi  
Case No.: 19-25396 (VFP)  
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4. The stay of any sale pursuant to the terms of this Order as set forth in FED R. BANKR. P. 6004(h) is hereby waived, and the Trustee and Purchaser may consummate the sale approved herein immediately upon entry of this Order.

5. The Trustee shall deposit \$15,000.00 of the sale proceeds into escrow until receipt of the NFA Letter from the DEP or a RAO from an LSRP.

6. After the closing, the Trustee is authorized and directed to distribute the sale proceeds as follows:

- a. in the first place, the amount needed to satisfy in full any pre-petition and/or post-petition municipal taxes or other municipal liens in favor of the City of Jersey City and/or Suez;
- b. in the second place, to KW City Life JC Realty in the sum of \$30,000.00 reflecting the 5% commission to be paid pursuant to the listing agreement with KW City Life JC Realty;
- c. in the third place, approximately \$23,300.00, or the full amount due up to a cap of \$26,300, to Brinks Tank & Environmental Service, reflecting the work performed for the removal and remediation of the Underground Storage Tank. Should the final amount due to Brinks Tank & Environmental Service exceed \$26,300.00, the Trustee will not pay the amount above \$26,300.00 absent a further Court Order;
- d. in the fourth place, approximately \$285,000.00, or the full amount then due, to Bank of America, N.A., in full satisfaction of the Foreclosure Judgment against the Property;
- e. in the fifth place, the statutory liens out of the gross proceeds of the sale from Defendant Rezabala’s proceeds;
- f. in the sixth place, payment to the Trustee of the Trustee’s necessary fees and costs in preserving and selling the Property pursuant to 11 U.S.C. §503, including but not limited to attorney’s fees, following entry of Orders allowing fees, on notice and appropriate application served on all interested parties; and

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Case No.: 19-25396 (VFP)  
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g. in the seventh place, to the estate and to Geraldina Obando, once the extent of Geraldina Obando’s interest is resolved per the Final Judgment entered in Adv. Pro. Case 19-02291 at Dkt. No. 23, with the estate’s share of the proceeds being distributed in the order of priority provided by the Bankruptcy Code.

7. Following receipt of payment in full, all lien holders shall file a Release or Discharge of Lien.

8. The realtor’s commission shall be paid from the sales proceeds without the need to file a fee application pursuant to D.N.J. LBR 6004-5.

9. The fees and costs due to Brinks Tank & Environmental Services up to \$26,300.00 shall be paid from the sale proceeds as an administrative cost of sale.

10. The sale of the Property shall be free and clear of all liens, claims and interests pursuant to 11 U.S.C. §363, with any valid liens, if any, to attach to the sale proceeds.

11. The Court shall retain jurisdiction to enforce the terms of the within Order, including fixing the amounts due to secured, unsecured and administrative claimants, failing a consensual resolution with the Trustee.

12. Debtor Rezabala and Co-Owner Obando shall vacate the Property, and remove all of their personal belongings, within fourteen (14) days of the entry and service of this Order.

13. Should Debtor Rezabala and/or Co-Owner Obando fail to vacate the Property and remove all of their personal belongings the Court may enter an Order directing the U.S. Marshal to remove Debtor Rezabala and/or Co-Owner Obando following receipt of a Certification from the Chapter 7 Trustee, on Notice to Debtor Rezabala and/or Co-Owner Obando, by regular mail and certified mail, return, receipt requested.

Page 5 of 5

Debtor: James X. Rezabala and Erika M. Penachi

Case No.: 19-25396 (VFP)

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14. A copy of this Order shall be served on all parties who are affected by this action within seven (7) days of the date hereof.